



August 30, 2023

To the National Peer Review Committee:

As requested by the Oversight Task Force (OTF) of the National Peer Review Committee (NPRC), I have reviewed the National Peer Review Committee's administration of the AICPA Peer Review Program (program) and have issued my report thereon dated August 30, 2023. That report should be read in conjunction with the observations in this letter. The observations described below were considered but did not affect the conclusions expressed in that report.

The oversight was conducted according to the procedures in the *AICPA Peer Review Program Oversight Handbook*. The oversight program is utilized by the Peer Review Board to improve the administering entity's administration of the program through feedback on its policies and procedures.

During the oversight conducted on August 29 and August 30, 2023, I met with the Technical Director – Peer Review, who serves as the CPA on staff, various technical staff, including a Senior Manager and Manager. Throughout the period, I have met with the Operations Manager – Peer Review, who serves as administrator, selected technical reviewers and the peer review committee chair.

In conjunction with the administering entity oversight, the following observations are being communicated.

### **Administrative Procedures**

I met with the *CPA on staff and administrator* to review procedures for administering the program. I believe the administrative processes were being handled in a manner consistent with the AICPA *Standards for Performing and Reporting on Peer Reviews* (standards) and other guidance.

I reviewed the status of open reviews, including reviews with corrective actions and implementation plans which had not yet been completed. I noted that open reviews were being effectively monitored for completion.

I noted peer review committee (committee) decision letters are prepared and sent timely.

I reviewed the policies and procedures for granting extensions and noted that extension requests are discussed with the committee when warranted.

The administering entity has developed a backup plan to support the administrators, technical reviewers, and the CPA on staff if they become unable to serve in their respective capacities. I reviewed the backup plan and noted it complied with guidance.

According to discussions with administering entity staff, working paper retention policies for completed reviews are consistently followed.

I noted that the administering entity has policies and procedures in place to determine if information disseminated on their website regarding the program is accurate and timely. I noted the administering entity maintains current information on their website relating to the program. In addition, the administering entity has an individual who is responsible for maintaining the website and monitors it periodically to determine if program information is accurate and timely.

### **Technical Review Procedures**

I have met with several technical reviewers to discuss their procedures.

Based on the information provided, I noted that the technical reviewers met the qualifications set forth in the guidance.

I reviewed the reports, letters of response, if applicable, and the working papers for several reviews as part of a report acceptance body. For each review, I believe the technical reviewer properly addressed issues before the reviews were presented to the report acceptance body (RAB), which helped the efficiency and effectiveness of the acceptance process.

During RAB meetings attended, the technical reviewers were available to answer any questions that arose.

### **CPA on Staff Procedures**

I met with the CPA on staff to discuss procedures for monitoring the program.

Based on the information provided, I noted that the CPA on staff met the qualifications set forth in the guidance.

I reviewed the annual confidentiality agreements and noted that appropriate agreements were obtained and signed based on each individual's role in the program.

The administering entity has developed policies and procedures to identify familiarity threats and implement safeguards to maintain objectivity and skepticism while considering the results of peer reviews. I reviewed the familiarity threat policies and procedures and noted they are comprehensive.

**RAB and Peer Review Committee Procedures**

I have met with the committee chair to discuss his procedures.

I noted that comments resulting from RAB observation reports are disseminated to the appropriate individuals.

I reviewed procedures regarding RAB/committee evaluations of firms with consecutive non-pass peer review reports and whether the failure to improve may be deemed as noncooperation. After discussions with the committee chair and administering entity staff, I believe these evaluations are handled in a manner consistent with guidance.

I attended RAB meetings on various dates during 2023 and observed the acceptance process and offered my comments at the close of discussions. It was apparent that the RAB members had reviewed the reports and working papers prior to the meeting and had a good understanding of the program. Appropriate decisions were made in the acceptance process.

I have also attended peer review committee meetings.

**Oversight Program**

I reviewed the oversight policies and procedures adopted by the committee and noted the oversight program is comprehensive.

**Summary**

There are no further observations to be communicated to the National Peer Review Committee.

A handwritten signature in blue ink, appearing to read 'Elizabeth S. Gantnier', with a stylized flourish at the end.

*Elizabeth S. Gantnier*, Member, Oversight Task Force  
National Peer Review Committee